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- FED MARITIME COMM

 1. AGREEMENT BETWEEN THE MEMBER LINES OF THE CRUISE LINES
 INTERNATIONAL ASSOCIATION.
- 2. FEDERAL MARITIME COMMISSION NUMBER 10071.
- 3. THE GENERIC CLASSIFICATION OF THIS AGREEMENT IN CONFORMITY WITH 46 C.F.R. SECTION 572.104 IS A COOPERATIVE WORKING AGREEMENT AMONG PASSENGER CRUISE CARRIERS.
- 4. NOT APPLICABLE.

ORIGINAL

5. NONE.

(Supersedes last restatement dated March 8, 1989.)

NOTE: AGREEMENT NO. 10071 INCLUDES ALL AMENDMENTS THROUGH NO. 28, EFFECTIVE JULY 1, 1999



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SIGNATURE PAGE

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ARTICLE 3 - PARTIES TO THE AGREEMENT

The parties to this Agreement are:

AMERICAN HAWAII CRUISES Robin Street Wharf 1380 Port of New Orleans Place New Orleans, LA 70130-1890

BERGEN LINE, INC. 405 Park Avenue New York, NY 10022

CARNIVAL CRUISE LINES 3655 NW 87th Avenue Miami, FL 33178

CELEBRITY CRUISES, INC. 1050 Caribbean Way Miami, FL 33132

COMMODORE CRUISE LINE 4000 Hollywood Boulevard Suite 385, South Tower Hollywood, FL 33021

COSTA CRUISE LINES World Trade Center Bldg. 80 SW 8th Street Miami, FL 33130-3097

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CRYSTAL CRUISES 2049 Century Park East, Suite 1400 Los Angeles, CA 90067

CUNARD 6100 Blue Lagoon Drive, Suite 400 Miami, FL 33126

DISNEY CRUISE LINE 210 Celebration Place Suite 400 Celebration, FL 34747-4600

FIRST EUROPEAN CRUISES 95 Madison Avenue, Suite 1203 New York, New York 10016

HOLLAND AMERICA LINE 300 Elliott Avenue West Seattle, WA 98119

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MEDITERRANEAN SHIPPING CRUISES 420 Fifth Avenue New York, New York 10018-2702

NORWEGIAN CRUISE LINE 7665 Corporate Center Drive Miami, FL 33126-1201

ORIENT LINES, INC. 1510 S.E. 17th Street, Suite 400 Ft. Lauderdale, FL 33316

PREMIER CRUISES 400 Challenger Road Port Canaveral, FL 32920

PRINCESS CRUISES 10100 Santa Monica Blvd. Los Angeles, CA 90067

RADISSON SEVEN SEAS CRUISES 600 Corporate Drive, Suite 410 Ft. Lauderdale, FL 33334

REGAL CRUISES 300 Regal Cruises Way P.O. Box 1329 Palmetto, FL 34220

ROYAL CARIBBEAN INTERNATIONAL 1050 Caribbean Way Miami, FL 33132

ROYAL OLYMPIC CRUISES 805 Third Avenue New York, NY 10022 FMC Agreement No. 10071

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SEABOURN CRUISE LINE 6100 Blue Lagoon Drive, Suite 400 Miami, FL 33126

SILVERSEA CRUISES 110 E. Broward Boulevard Fort Lauderdale, FL 33301

WINDSTAR CRUISES 300 Elliott Avenue West Seattle, WA 98119

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ARTICLE 4 - GEOGRAPHIC SCOPE OF THE AGREEMENT

The Association defines its scope by reference to the market served rather than the geographical location of the voyages concerned. Any voyage in respect of which a marketing effort is made in North America falls within the scope of the Association. It is understood that effectiveness and/or approval of this Agreement by the FMC pursuant to the Shipping Act, 1984, and the Shipping Act, 1916, extends only to activities in connection with voyages on which passengers embark or disembark at a United States port.

ARTICLE 5 - AGREEMENT AUTHORITY

The Member Companies of this Association agree:

- A. The Association will --
- (1). Provide a forum where companies engaged in the marketing of the cruise and passenger liner industry in North America can meet and discuss matters of common interest and develop and agree on activities aimed at promoting and marketing the concept of shipboard holidays;
- (2). Represent its Members' views in dealings with Conferences, Associations and/or Agencies of United States, local or foreign governments in matters related to marketing passenger liner or cruise vessels; and
- (3). Represent Member Companies in matters relating to financial responsibility coverage and education of Sellers of Travel.
- B. Membership in any other association shall not preclude Membership in this Association. However, the Association may provide for consultation and cooperation with other Conferences, Organizations or Associations, and will utilize its best efforts to provide sellers of travel and interested travel agent associations with reasonable opportunities for dialogue and presentation of views, always reserving freedom of action. The areas of promotion and/or marketing which the Association may implement either on its own or in cooperation with other associations shall include:

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- (1). Travel Seller Training;
- (2). Public Relations;
- (3). Advertising

- (3). Advertising

 (4). Market Research;

 (5). Cruise market expansion promotional ventures

 However, participation in any such programs shall not limit the right of any Member Company to take independent action.

 C. Members of the Association may discuss with each other matters, other than specific rate activities, beyond the authority of this Agreement and within the ambit of the Shipping Act, 1984, and/or the Shipping Act, 1916, with a view to filing modifications to this Agreement with the Federal Maritime Commission. No such modifications will be implemented prior to effectiveness and/or approval under the Shipping Act, 1984, and the Shipping Act, 1916.

 D. Member Companies shall notify the Association of the default of an agency or the employment by an agency of any ex-agent, exofficer or ex-clerk of an agency previously declared in default.

 E. The organization of the Association will be as shown in Appendix B.

 F. Meetings of representatives of the travel trade industry (Inter-Association Meetings) shall be convened at least annually for the purpose of discussing matters covered by the Association's charter which are of mutual importance to the Association and Sellers of Travel. The President of the Association shall notice the meetings to all Member Companies and serve as Secretary under the direction of the Chairman of the Association shall chair Inter-Association Meetings.

 Inter-Association Meetings shall be attended by the Executive Committee and by a representative of any other such Member Companies as may wish to attend. In addition, the following organizations shall each be invited to send one representative to every Inter-Association Meeting:

Meeting:

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American Society of Travel Agents Association of Retail Travel Agents American Automobile Association Alliance of Canadian Travel Associations National Association of Cruise Only Agencies

- cruise industry promotional, educational and travel seller training programs, including FAM trip programs offered on such terms as individual member lines desire, and may allow travel sellers listed in the Association's Master List of Sellers of Travel to participate in such programs at reduced rates.
- Η. between the Member Companies of this Agreement and Sellers of Travel in the United States and Canada, as set out in Appendix A.
- . Travel Agents

 i Retail Travel Agents
 omobile Association
 Canadian Travel Associations
 .ssociation of Cruise Only Agencies

 le Association may agree from time to time to
 promotional, educational and travel seller trai.
 uding FAM trip programs offered on such terms as
 ber lines desire, and may allow travel sellers liste.
 's Master List of Sellers of Travel to participate in
 reduced rates.

 'greement shall apply in respect of the relationship
 'manies of this Agreement and Sellers of Travel in
 nada, as set out in Appendix A.

 ' Lines may utilize the Association's seal,
 'erty and other marketing, promotional or
 'mation only in connection with the
 's of Member Cruise Lines, and for no
 'mation only in connection with the
 's of Member Cruise Lines, and for no
 'mation only in connection with the
 's of Member Cruise Lines, and for no
 'mation only in connection with the
 's of Member Cruise Lines, and for no
 'uding affiliates or associates,
 'ization. The Association's
 "aterials and information may
 'use products or services,
 's services provided by
 'he Association may
 'ruise Lines and
 'on's seal,
 'ormation.

 'ORITY

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 'his trademarks, intellectual property and other marketing, promotional or educational materials and information only in connection with the marketing and promotion of cruises of Member Cruise Lines, and for no other purpose. Member Cruise Lines may not sublicense, assign or provide such seal, trademarks or intellectual property, materials or information to any third parties, including affiliates or associates, without the Association's written authorization. The Association's seal, trademarks, intellectual property, materials and information may not be utilized to market or promote non-cruise products or services, including related travel industry products or services provided by Members, or their affiliates and associates. establish and modify rules applicable to Member Cruise Lines and affiliated Sellers of Travel's use of the Association's seal, trademarks, intellectual property, materials and information.

ARTICLE 6 - OFFICIALS OF AGREEMENT AND DELEGATION OF AUTHORITY

The Member Companies shall authorize individuals to file amendments to this Agreement or any other papers or documents related to this Agreement. At present, and until revoked, the Member Companies authorize the President of the Association to file on their behalf amendments to this Agreement or any papers or documents related to this Agreement.

ARTICLE 7 - MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

Eligibility. Any company (as defined below) is eligible to be a Member provided it (1) is engaged in passenger liner or cruise ship marketing, within the scope defined in Article 4 hereof, on behalf of a

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sales; (3) maintains an office location and company representative in North America; (4) publishes its cruise brochure/sales materials in English with price statements in United States or Canadian dollars; and (5) meets the conditions stated below in this Article 7.

"Member Company" as used herein refers to a specific trade name under which a passenger liner or cruise ship (or ships) is operated and If the same entity or a parent, subsidiary, affiliate, branch

under which a passenger liner or cruise ship (or ships) is operated and marketed. If the same entity or a parent, subsidiary, affiliate, branch or division thereof operates and markets such ships under more than one trade name, each such trade name operation must meet the qualifications for Membership. Those so qualifying will be granted separate

Memberships.

No application shall be refused except for just cause and any such refusal shall be immediately reported to the Federal Maritime Commission with the reasons therefor. "Just cause" shall include illegal activity, other wrongful or tortious conduct, or activities, policies, affiliations or associations on the part of any applicant for membership which are harmful to the cruise industry or the relationships between Member Cruise Lines and sellers of travel or prospective passengers.

B. Admission and Fees. New applicants for Membership which meet the foregoing qualifications will be accepted in the Association and become Member Companies upon signing a counterpart of this Agreement, providing certification of eligibility for membership, including evidence of the existence of a passenger vessel and ownership or operating rights to such vessel, and of the existence of a performance bond, and upon satisfying the financial obligations, as set forth from time to time in the Members Fee Schedule adopted by the Membership.

C. Expulsion and Withdrawal.

(1). No Member can be expelled except for failure to abide by the terms and conditions of Membership in the Association, or for just cause as defined in this Article.

(2). Upon recommendation by the Managing Committee, a Member Company may be expelled by majority vote at any duly convened Membership meeting for such failure, provided that thirty (30) days advance written cause shall have been given to such Member Company setting forth the intention to propose expulsion, the reasons therefor and the right to be propose expulsion, the reasons therefor and the right to the propose expulsion, the reasons therefor and

- the terms and conditions of Membership in the Association, or for just cause as defined in this Article.
- Company may be expelled by majority vote at any duly convened Membership meeting for such failure, provided that thirty (30) days advance written notice shall have been given to such Member Company setting forth the intention to propose expulsion, the reasons therefor, and the right to appear and be heard at the meeting at which such expulsion shall be proposed.

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Any Member Company shall be free to act independently as to remuneration, choice, and commercial or other relationship with Sellers of Travel, including those not on the Master List of Sellers of Travel, without affecting full membership rights under this Agreement.

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ARTICLE 9 - DURATION AND TERMINATION OF THE AGREEMENT

This Agreement has been in effect since June 6, Duration. The Agreement shall continue in effect indefinitely unless terminated by the Member Companies pursuant to the terms of this Agreement.

<u>Termination</u>. by mutual agreement of the Member Companies.

ARTICLE 10 - DISPUTE RESOLUTION

This Agreement may be terminated at any time tember Companies.

TON

TON

The between the Association and a Member of our relating to the Member Company's on, whether arising during or after the reganization, which is not resolved within wing delivery of the Association's or Member intent to arbitrate, shall be determined in the International Arbitration Rules of ociation ("AAA") before a single impartial ssociation from a list of ten (10) nominees roster of arbitrators for international arbitration shall be New York, New York. ion shall be English. If at any time there trations under this Article 10 that involve, the arbitrator in the arbitration first uch arbitrations to be consolidated in whole as sole arbitrator, if and to the extent insolidation likely to promote fairness and onthe the arbitrator, each party shall ing documents or exhibits to the arbitrator y business, and each party shall have ten eaply brief with documents and exhibits. The arbitrator shall award the and award within thirty business days by briefs. The arbitrator shall award the and award within thirty business days by briefs. The arbitrator shall award the and expenses of the arbitration, including the award shall be final and binding on the cymay apply to a court of competent enforce its award. However, in the event relief is an appropriate remedy, on, either party shall be entitled to apply Any controversy or claim between the Association and a Member Company thereof arising out of our relating to the Member Company's membership in the Association, whether arising during or after the Member's membership in the organization, which is not resolved within ten (10) business days following delivery of the Association's or Member Company's written notice of intent to arbitrate, shall be determined in arbitration in accordance with the International Arbitration Rules of the American Arbitration Association ("AAA") before a single impartial arbitrator selected by the Association from a list of ten (10) nominees proposed by the AAA from its roster of arbitrators for international arbitrations. The place of arbitration shall be New York, New York. The language of the arbitration shall be English. are pending two or more arbitrations under this Article 10 that involve any common parties or issues, the arbitrator in the arbitration first commenced may order any of such arbitrations to be consolidated in whole or in part before him or her as sole arbitrator, if and to the extent the arbitrator deems such consolidation likely to promote fairness and Following appointment of the arbitrator, each party shall submit its brief and supporting documents or exhibits to the arbitrator and other party within twenty business, and each party shall have ten business days to serve any reply brief with documents and exhibits. arbitrator may convene a hearing not to exceed one day in duration, and shall issue a final decision and award within thirty business days following service of the reply briefs. prevailing party its costs and expenses of the arbitration, including reasonable attorneys' fees. The prevailing party may apply to a court of competent jurisdiction for an order to enforce its award. However, in the event that equitable or injunctive relief is an appropriate remedy, notwithstanding this provision, either party shall be entitled to apply to a court of competent jurisdiction for the purpose of obtaining equitable or injunctive relief on any matter.

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APPENDIX A

TERMS AND PROVISIONS REGARDING AFFILIATION OF SELLERS OF TRAVEL

Sellers of Travel which comply with the terms and provisions set forth in this Appendix A may become "Affiliated Travel Sellers" and be included on the Association's Master List of Sellers of Travel. Affiliated Travel Sellers are not members of the Association, but shall have the rights and responsibilities set forth in this Appendix A and ir rules applicable to Affiliated Travel Sellers which the Association may adopt and modify from time to time.

- 1. <u>DEFINITION</u>. For purposes of this Agreement, a Seller of Trave (hereinafter "Travel Seller") is defined as any person, entity or department of an entity that is engaged in the business of selling travel or travel related services.
- TRAVEL SELLER FEES. An application fee of U.S. \$80.00 and an Annual Travel Seller Fee of U.S. \$219.00, the levels of which may be changed from time to time by the Association, shall be collected for each location at the time of application. Travel Sellers notified of listing during the first nine (9) months of any fiscal year shall pay the full annual fee; Travel Sellers notified during the last three (3) months of any fiscal year shall pay the full annual fee which shall be credited for the full ensuing fiscal year. Travel Sellers Fees (nonrefundable) shall be collected for each location on or before the commencement of each fiscal year and the Association shall thereafter promptly give notice to any Travel Seller from whom it has not received an Annual Travel Seller Fee. Such notice shall include a final notice for payment, and failure to remit within the time specified will subject the Travel Seller concerned to automatic termination without further Reinstatement can be effected, as of the date of postmark of the delinquent payment, by mailing to the Association the amount of such payment, plus a sum equal to one-half the Annual Travel Seller Fee; said sum being acknowledged by the Association and by the involved Travel Seller as constituting liquidating damages for such delinquency to be applied because the amount of actual damages would be difficult if not impossible to ascertain.
- 3. <u>CONSIDERATION OF APPLICATION</u>. An applicant for listing shall submit a completed application, in a form prescribed by the Association, and tender payment of the application fee and the Annual Travel Seller Fee. When an applicant has complied with the conditions set forth herein, its name shall be placed on the Master List of Sellers of Travel and it shall be promptly notified of that action. In the event an application is denied, notice shall be given containing the reasons for such denial.

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- PLAN FOR SECURING PERFORMANCE OF LISTED TRAVEL SELLERS. Association will arrange coverage to secure the performance by Affiliated Travel Sellers of their obligations to Members by either engaging a bonding company or establishing a Security Fund under the direction of an Administrator. Such Plan may, from time to time, be changed by the Association. Proof of claims against an Affiliated

- direction of an Administrator. Such Plan may, from time to time, be changed by the Association. Proof of claims against an Affiliated Travel Sellers shall be filed in accordance with such instructions as are issued by the Association from time to time. Such claims shall be for the net amount of sales. Any remuneration due to the Travel Seller after a default situation shall revert to the Administrator paying the claim as salvage.

 5. CONDITIONS FOR TRAVEL SELLER AFFILIATION. The Conditions governing the relationship between Affiliated Travel Sellers and Association Members are set forth in CLIA's new member kit and, upon request, are available for an applicant's advance review. These Conditions are as follows:

 (a) ACCOUNTABILITY You are responsible to account for proprietary documents of Member Cruise Lines and to maintain records during normal business hours.

 (b) TICKETING, REMITTANCES, AND REMUNERATION In accordance with each Member Cruise Line's policies.

 (c) PROMOTION You may display the CLIA seal on your promotional pieces related to the development of the business of Member Cruise Lines and are encouraged to do so. Of course, such promotional pieces should conform to truth and good taste. You are responsible for the accuracy of your promotional pieces and for compliance with applicable governmental requirements. CLIA will make every attempt to assist you when and where possible. The CLIA seal, trademarks, intellectual property and marketing, promotional or educational materials and information created or developed by CLIA may be used only in connection with the marketing and promotion of cruises of Member cruise Lines, and for no other purpose, including marketing or promotion of any other cruises or non-cruise products or services. Affiliated Travel Sellers may not sublicense, assign or provide such seal, trademarks. intellectual property, materials or information to any third Travel Sellers may not sublicense, assign or provide such seal, trademarks, intellectual property, materials or information to any third parties, including affiliates or associates, without CLIA's written authorization.
- CHANGES AFFECTING THE STATUS OF TRAVEL SELLERS-In (d) order to assist us in the accurate maintenance of our records, promptly advise us of any changes which alter the data you have provided in your If a change of ownership occurs, the new owner must meet application. the requirements for Travel Seller listing. A change affecting ownership may require payment of a new Annual Travel Seller Fee, as set forth in the

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- TERMINATION OF YOUR AFFILIATION Whenever requested (e) by you, your Travel Seller affiliation can be terminated. To insure a request for termination is accurately transmitted, please notify us in writing. Unfortunately, your Annual Travel Seller Fee cannot be In addition, any of the following circumstances may, in the refunded. sole discretion of CLIA, result in an involuntary termination of affiliation without refund of your Annual Travel Seller Fee: bankruptcy; (2) insolvency; (3) failure to effect timely payments to the Member Cruise Lines and/or timely refunds to your clients; (4) absconding; (5) the mishandling of funds or proprietary documents exchanged through you, which funds or proprietary documents you agree to hold in trust; (6) a breach of any Travel Seller Condition; (7) misappropriation or conversion of client funds; (8) misrepresentation, misappropriation or misuse of CLIA's name, seal, trademarks, or any CLIA materials provided to you for the purpose of promoting its Member Cruise Lines; or (9) any illegal activity, other wrongful or tortious conduct, or activities, policies, affiliations or associations which are harmful to the cruise industry or relationships between Member Cruise Lines and sellers of travel or prospective passengers. Failure to pay the Annual Travel Seller Fee in a timely manner will result in automatic termination of your affiliation.
- YOUR RIGHTS Should an event occur which presents grounds for involuntary termination, you will be notified and given the opportunity to address the allegations prior to a declaration of involuntary termination. In the event that your affiliation actually is involuntarily terminated, you again will be notified and will be given the opportunity to receive a review and a reinstatement. The procedures for notice, review, and reinstatement are contained in the Statement of Policy and Procedure on file and available for review at the principal office of CLIA and at the offices of each Member Cruise Line.
- **OUR RIGHTS** In the unlikely event that your affiliation should be involuntarily terminated as provided above, you agree to hold harmless the Association and any of its Member Cruise Lines and their respective officers and employees for any loss, injury or damage related to a declaration of involuntary termination. further agree to indemnify the Association and any of its Member Cruise Lines for any losses they may sustain as a result of the loss of documents or funds for which you have responsibility. Additionally, no claim for loss, injury or damage shall be made against the Association or its Member Lines regarding any good faith communication made in connection with the processing of an application for Affiliation. rights of the Association and its Member Cruise Lines which will affect your dealings with them as an Affiliated Travel Seller are contained in the Statement of Policy and Procedure on file and available for review at the principal office of CLIA and at the offices of each Member Cruise

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STATEMENT OF POLICY AND PROCEDURE

(To be maintained at the principal office of CLIA and at the offices of Member Cruise Lines; available to Applicants and to Listed Travel Sellers upon request)

A. TRAVEL SELLER FEES.

An Annual Travel Seller Fee of U.S. \$219.00, the levels of which may be changed from time to time by the Association, shall be collected for each location on or before the commencement of each fiscal year. When the Association is notified of a change in the form of ownership or in control, or the ability to control management of the Travel Seller, a new Annual Travel Seller Fee will be collected from the new owners for each Travel Seller location affected.

B. THE RIGHTS OF AFFILIATED TRAVEL SELLERS.

- 1. <u>INVOLUNTARY TERMINATION OF AFFILIATION: NOTICE AND OPPORTUNIT TO BE HEARD</u>. Should the Association determine that an event has occurred which gives rise to grounds for an involuntary termination of affiliation, the Travel Seller shall be notified of such grounds and shall be granted a reasonable opportunity to dispute the grounds for involuntary termination. Should the Association thereafter determine that involuntary termination is warranted, the Member Companies and the Travel Seller shall simultaneously be notified that affiliation has been terminated, stating the reasons therefor. Notice shall be given by certified mail, return receipt requested.
- 2. <u>EFFECT OF INVOLUNTARY TERMINATION OF AFFILIATION</u>. The involuntary termination of an Travel Seller's affiliation for any of the causes listed in Condition (e) to Conditions for Travel Seller Affiliation shall be deemed sufficient cause for cancellation and removal of the Travel Seller's name from the Master List of Sellers of Travel.
- 3. <u>OPPORTUNITY FOR REVIEW</u>. The Travel Seller will be given the opportunity for review of the grounds giving rise to involuntary termination of affiliation. The Travel Seller must exercise such right within fifteen (15) days from the date of the Association's certified mail notice.

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- It is envisioned that in most instances resolution of the alleged violation will be obtained via an exchange of dialogue and pertinent exhibits between the Travel Seller and the Association and/or the Member Cruise Line(s) concerned. However, should there be disputed issues of fact or law, the Travel Seller may request that the matter be referred to a more formal Review Board.
- that the matter be referred to a more formal Review Board.

 5. REVIEW BOARD. The Review Board shall consist of one representative chosen by the Travel Seller, one representative designated by the Association, and a third mutually acceptable party. If mutual acceptance cannot be obtained, the third party shall be designated by the American Arbitration Association.

 6. DECISION. The decision of the Review Board shall be final.

 7. REINSTATEMENT. If, as a result of the dialogue between the Travel Seller and the Association and/or the Member Cruise Line(s) referred to above, the Travel Seller settles all claims in full, reinstatement shall be automatic. If the matter is referred to a Review Board, reinstatement shall be in accordance with the decision reached by the Review Board.

 C. THE RIGHTS OF THE ASSOCIATION AND ITS MEMBER CRUISE LINES.

 1. RELIEF FROM RECOURSE. The Association shall not be responsible for any losses caused to the Travel Seller due to any action taken by the Association pursuant to any of the Conditions for Travel Seller Affiliation.

 2. FAILURE TO ACT UPON ANY DEFAULT. Such failure shall not be deemed a waiver thereof by the Association or the Member Cruise Line be deemed a waiver thereof by the Association or the Member Cruise Line involved nor a general waiver of any such acts or omissions; nor shall such failure be deemed to operate as a relinquishment of rights against the Travel Seller in respect of any other acts or omissions by the Travel Seller.

 3. RIGHTS SEVERAL, NOT JOINT. The powers, rights, privileges, immunities and duties of the Member Cruise Line Companies are several and not joint.

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- Meetings, Quorum, Decisions, Minutes. At least two Managing Committee meetings shall be held each year at a time, date and place as agreed. Ordinarily, meetings will be held at the call of the Managing Committee Chairman. However, any Member Company, with the endorsement of at least two other Member Companies, or a Staff Officer, with the endorsement of the Managing Committee Chairman, may request a special meeting of the Managing Committee for a special purpose. receipt by a Staff Officer of such a request (or upon receipt of the Chairman's approval of a Staff Officer's request), a meeting will be convened within thirty (30) days. Every effort will be made to assure receipt by Members of docketed agenda items at least ten (10) days prior to the meeting. If agreed, additional items not docketed may be Decisive actions of the Managing Committee shall be considered confirmed when taken. Quorums shall consist of 51% of the If the Member Company seeking the meeting so Member Companies. stipulates, the meeting shall be held without a quorum. However, no action may be taken without the agreement of at least a simple majority (51%) of the total Member Companies of the Association unless otherwise specifically provided herein. Vote may be made by proxy, but no Member Company can hold more than two proxies and the Chairman cannot hold proxies. A report of all meetings of the Managing Committee within the scope of this Agreement, specifying any action taken, including action resulting from mail or telephone ballot, shall be prepared and promptly transmitted to the Federal Maritime Commission.
- 2. OPERATION AND MAINTENANCE EXPENSE. The Association's fiscal year shall coincide with the calendar year. The cost of the operation and maintenance of the Association shall be supported by annual assessment among the Member Companies, which shall be paid in advance on or before January 1 of each year, and by collection of annual fees from Sellers of Travel, both of which shall be at levels fixed by the Managing Committee. Companies joining the Association shall be guided by Article 7 of the Agreement in respect of financial responsibility.
- 3. <u>NOTICES</u>. Any period of notice provided for in the Agreement shall be given in writing and shall commence upon date of receipt.

4. FINANCIAL RESPONSIBILITY.

A. The Marketing Committee will present its recommendation for an overall annual budget to the Managing Committee for its approval. Once approved, the Marketing Committee has the authority to effect lateral shifts in funding provided such shifts: